
Stakeholder participation & governance within National Governing Bodies of Sport

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Abstract

This research seeks to explore the implications on the governance structures within National Governing Bodies of Sport (NGBs) as they receive unprecedented levels of funding from Central Government agencies such as UK Sport and Sport England. While these agencies have clear goals for the NGBs to achieve, the NGBs themselves have interests which are more varied, as they seek to engage with a diverse and desperate set of stakeholders. It is the aim of this paper to build on initial research conducted with NGBs to construct a conceptual model of governance that seeks to illuminate whether this resource dependant relationship creates an environment where the interests of the funding agencies and their targets are prioritised over other stakeholders (Houlihan, 2013). The central contention of this paper is that the power of the funding agencies over the NGBs will grow and dominate as the amount of funding increases, but also if this funding is reduced or removed it gives the NGBs an opportunity to reengage with its stakeholders and potentially create a more participatory environment.

The changing nature of the relationship between NGBs and governmental agencies has generally sought to improve managerial and organisation performance (efficiency, effectiveness, service quality), by allowing the NGBs greater decision making autonomy through a decentralised approach - New Public Management (Hood, 1991). While this policy has been described as a 'good managerial approach' as it is more results orientated, it does ensure greater accountability from the NGB through the setting of specific targets. Although the targets given the NGBs are tangible and quantifiable, the NGB itself has more complex objectives, more intricate accountabilities and lacks the freedom that many market based organisations have in order to achieve these goals. This increased freedom may actually result in a re-alignment of objectives that prioritises the needs of certain groups, at the expense of others.

Research has endeavoured to examine the new relationships created through NPM in terms of a network, from a governance perspective, of an interrelated web of stakeholders who engage in negotiations to achieve their own specific goals, where power is focused on the locus of stakeholder relationships in the network. However, this paper argues that NGBs increased resource dependency on government agencies distorts the network to such a degree that there is a re-alignment so that they act in the interests of the agency (the principal) rather than the NGBs (the agent) own members - a key tenet of Principal Agent governance theory. Spear (2004) goes on to state that this model of governance ignores individual members, due to performance measures placed on them and marginalises “non-financial motivations such as common values, shared benefits and trust” (p.50). What is clear is that if the funding remains in place then the level of resource dependency is unlikely to decline resulting in the NGBs acting in an ever more performance orientated manner, tilting power towards the managers and out of the hands of stakeholders (Spear 2004). However, the key question is what happens if the NGBs receive a funding reduction, or has their funding completely removed?

If an NGB receives a reduction in funding, it may give them the opportunity to operate in a more stakeholder centric manner and may actually challenge what Minogue (2000) defines as a “democratic deficit” created by NPM. Through removing this resource dependency on the governmental agencies, the NGBs can engage in participatory practices that are not simply tokenistic in nature but acknowledges the NGBs stakeholders as a group of culturally interconnected individuals who share some culturally rooted common norms and values. By applying Arnstein’s (1969) model of ‘citizen participation’ as the basis for this engagement, the conceptual model will illustrate that the removal of government funding eliminates barriers to stakeholder participation. This would allow NGBs to move ‘up the participatory ladder’ and create a more engaging approach to its decision making process to ensure better representation of stakeholder values, beliefs and opinions (Arnstein, 1969). This could actually create greater satisfaction from the stakeholders, as their views and opinions have actually influenced decisions. The aim of this process would not be to replace the dependency on governmental agencies with dependency on another stakeholder, but to enable participation of stakeholders within the decision making process at every operational level of the organisation.

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